

The State Fair Board at its October 13 board meeting authorized its Executive Committee to draft a statement of position of the State Fair Board for the City of Lincoln Mayor's Event Facility Task Force Committee. This authorization was made by a unanimous vote at that meeting. This statement has not been ratified by the full board because its next meeting is not until this Friday, November 10.

### State Fair Board Statement of Position

The State Fair Board has appreciated being included in the Mayor's Event Facility Task Force. After two years of intense study by this group, combined with the Governor's Study of State Fair Park completed in 2004, it is difficult to imagine a scenario or solution that has not been proposed and discussed by the large variety of governmental, community and private interests involved in these groups. Through participation in these studies and by its own analysis, the State Fair Board has come to the following conclusions:

Relocation of the State Fair and its improvements has been estimated at various times to be between 65 million to 100 million dollars, not including land. Under any scenario that has been proposed to date, there would be a significant additional cost to taxpayers at both the local and State level.

The Board takes very seriously the trust the State of Nebraska has placed in it to manage the State assets of the Fairgrounds and its improvements. It also takes equally serious the responsibility placed with the Board by the taxpayers of the State to prudently manage the State Fair portion of the State Lottery proceeds, as authorized by Constitutional Amendment 4, approved by Nebraska voters November 4, 2004. It appreciates the significance of the City of Lincoln continued matching contributions as prescribed by the same Amendment. For that reason, the State Fair Board did not object to the annexation this year by the City of Lincoln so that the City could recoup a significant portion of their contribution through its sales tax. The State Fair has now paid off its debts and is operating with a surplus. The Board realizes that there are many challenges in improving and repairing some of the older buildings and infrastructure at State Fair Park. However, the Board feels it can use its surplus funds and combine it with private sources to improve its grounds and buildings on a "pay as you go" basis. The State Fair Boards' goal is to operate and improve State Fair Park with as little additional taxpayer assistance as possible. The 2006 State Fair was the most successful in attendance and operation in over 6 years and we feel that success can continue.

The co-location of the State Fair and the Lancaster County Event Center is more problematic. While the general concept of co-location of the fairs to improve business efficiencies and building usage is appealing, the particulars of this specific match are not. The Lancaster County Ag Society has been very determined to create a national caliber show horse exhibition facility. Plans have been developed for such a facility that would cost an estimated \$20,000,000. The Ag Society has proposed paying for the facility by a number of different sources, including the continuation of their current property tax levy and bond financing ultimately guaranteed by Lancaster County taxpayers. While the State Fair Board respects the authority of the Ag Society and their goals, it disagrees with the economic model of such an expensive expansion and its

taxpayer burden, and therefore would not want to be associated with it. In any event, the State Fair Board believes that the Lancaster County Event Center location is not suitable, nor desirable for such a co-location and is definitely inferior to the current State Fair Park location.

Therefore, the Fair Board does not wish to seek, or allow it to be sought in its behalf, the tens of millions of dollars from Nebraska taxpayers that would be necessary for the relocation of the State Fair.

The Nebraska State Fair Board believes it is in the best interest of the Nebraska State Fair and the citizens of Nebraska for it to remain at its historic location at State Fair Park.

The State Fair Board will always be interested for any input or suggestions on how to improve the State Fair operations from any individual or other entity, whether private or governmental.